



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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AUDITOR-CONTROLLER

February 13, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *tm*
Auditor-Controller

SUBJECT: Costs Provided for in the Rate Classification Level for Children in Group Homes

The Board asked the Auditor-Controller to confirm that the Rate Classification Level (RCL) rates (i.e., fixed rates based on a child's assessed needs), include housing costs such as rent, mortgage payments to group home owners, or lease payments. The answer is yes.

The rates are primarily based on staffing costs related to the needs of the children in the group home. But, the rates also provide for housing and other operating costs. There is no set percentage or fixed amount in the rates for housing costs. Rather, the RCL rates are all-inclusive fixed rates to pay for all necessary services to provide care for children in a licensed group home. If the provider owns the home, the costs charged for rent must meet certain reasonableness requirements.

An official in the State Department of Social Services (SDSS) confirmed this information.

JTM

c: David E. Janssen
Lloyd W. Pellman
David Sanders, Ph.D.
Violet Varona-Lukens

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